



Health Services

LOS ANGELES COUNTY

Los Angeles County
Board of Supervisors

September 3, 2015

Hilda L. Solis
First District

Mark Ridley-Thomas
Second District

Sheila Kuehl
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

TO: Mayor Michael D. Antonovich
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe

FROM: Mitchell H. Katz, M.D.
Director

SUBJECT: **NOTICE OF INTENT TO REQUEST DELEGATED
AUTHORITY TO APPROVE A PERCENTAGE
INCREASE EXCEEDING 10 PERCENT OF THE
TOTAL AGREEMENT AMOUNT OF AN EQUIPMENT
MAINTENANCE AND REPAIR SERVICES
AGREEMENT**

Mitchell H. Katz, M.D.
Director

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Chief Medical Officer

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This is to advise the Board that the Department of Health Services (DHS) is scheduling a Board letter for the October 6, 2015 agenda that requests approval of an amendment to an existing agreement for equipment maintenance and repair services. The board letter also requests delegated authority for annual maximum obligation increase of 40 percent for the agreement.

In accordance with Board of Supervisors' Policy 5.120, prior Board notice is required for any department requesting delegated authority to increase Board-approved contracts by over 10 percent.

AGREEMENT

Hologic, Inc (Hologic) provides preventive maintenance and repair services for the mammography equipment at Olive View-UCLA Medical Center (OV-UCLA MC) and Mid-Valley Comprehensive Health Center (Mid-Valley CHC). This mammography equipment is used in diagnosing and screening for breast cancer.

JUSTIFICATION

The Board letter requests approval of a recommendation to allow the Director of Health Services, or his designee, to increase the maximum obligation of the Agreement annually by no more than 40 percent above the total annual amount for Fiscal Year 2015-16. The

*To ensure access to high-quality,
patient-centered, cost-effective
health care to Los Angeles County
residents through direct services at
DHS facilities and through
collaboration with community and
university partners.*



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delegation of authority is necessary to ensure that the Agreement's contract maximum can accommodate possible actions to add equipment coming off warranty, obtain out-of-scope repairs or maintenance for equipment that is excluded under Agreement's basic maintenance services, add equipment or services to additional locations, obtain professional services, and cover emergency or unforeseen as-needed equipment maintenance, repair and support services. Hologic is an industry leader in mammography equipment and its equipment has become standard for mammography in all DHS Facilities. The facilities will only request that equipment, locations, emergency work and/or support services are added to the Agreement if additional services are needed and funding is available in the facility's budget.

The Joint Commission requires facilities to ensure routine preventative maintenance, timely repairs, and performance safety testing of its medical equipment and to maintain patient safety. Therefore, this delegated authority is necessary to enable the Agreement to be amended timely to guarantee that the critical equipment is maintained appropriately and ensure the safety of patients and facility staff, as well as to meet the requirements of The Joint Commission. Board policy generally allows delegated authority to increase the maximum obligation up to 10 percent. However, based on experience in recent years with several other equipment maintenance service agreements, DHS believes that requesting 40 percent for potential increases is appropriate since adding even a few pieces of equipment or an additional facility may require a significant funding increase.

If DHS is not able to add equipment to existing Agreement, the alternative is to request a Purchase Order (PO) from the Internal Services Department. The lead time to obtain a PO is much longer than execution of an amendment to an existing DHS Agreement using the Board's delegated authority.

NOTIFICATION TIMELINE

Consistent with the procedures of Board Policy 5.120, we are informing the Board of our intention to proceed with the filing of the Board letter with the Executive Office of the Board for the October 6, 2015 Board Meeting.

If you have any questions or need additional information, please let me know, or your staff may contact Kathy Hanks, at (213) 240-7819 or khanks@dhs.lacounty.gov.

MHK:kh

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors